

How to evaluate your percentage of lost beer

Step 1: Measure the amount of beer contained in each glass size with a graduated container.

You cannot use the glass size as specified by the glass manufacturer.

Step 2: Calculate your cost per serving. Look on your kegs invoices and find the keg size and price.

Ex: € 75 and 50 litres.

$$\text{Cost per litre} = \text{€ } 75/50\text{L} = \text{€ } 1.5/\text{L}$$

$$\text{Cost for a 250 ml glass: } \text{€}1.5 \times .250 = \text{€ } 0.375$$

$$\text{Cost for a 330 ml glass: } \text{€}1.5 \times .33 = \text{€ } 0.495$$

Step 3: Calculate your pour cost percentage

$$250 \text{ ml. glass selling price (minus taxes): } \text{€ } 2.25$$

$$\text{Pour cost percentage 250 ml: } \text{€ } .375 / \text{€ } 2.25 = 0.166 \text{ (16.66\%)}$$

Step 4: Look for your gross revenues for beer sales and calculate your target beer cost.

$$\text{Ex: } \text{€ } 16,000 \text{ per month and multiply by the pour cost percentage: } \text{€ } 16\text{K} \times 16.66\% = \text{€ } 2665.60$$

This should have been the amount of beer purchased for the month.

$$\text{€ } 2665.60/\text{€ } 75 \text{ per keg} = 35.5 \text{ kegs for the month}$$

Step 5: Compare with the actual beer purchases.

If for example you purchased 40 kegs in the month, then you are missing 4.5 kegs.

$$4.5/40 = 11.25\% \text{ is your percentage of lost beer or,}$$

$$4.5/35.5 = 12.6\% \text{ means you have purchased 12.6\% more beer than you should have.}$$

Step 6: Estimate the value

Value at cost: $4.5 \text{ kegs} \times \text{€ } 75 = \text{€ } 337.5$ (€ 4050/year)

Value retail: $50\text{L.} \times 4.5 \text{ kegs} = 225 \text{ L. total}$

$225 \text{ L.} / 0.250 \text{ L.} = 900 \text{ glasses}$

Potential resell value: $900 \times \text{€ } 2.25 = \text{€ } 2025 /\text{M}$ or € 24300 per year.